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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

11 May 1961

ONE MEMORANDUM

SUBJECT: Draft Estimate for Iran Task Force Paper

1. We have serious problems with this paper in its present form. A number of these concern specific substantive judgments. These can be dealt with readily enough by revisions in the present text. More basically, however, we tend to disagree fairly sharply with the "way of thinking" (N.B. not the style of writing) on which the estimate as a whole is based. The paper is unduly focussed on Prime Minister Amini and ignores -- or refers to only in connection with Amini -- fundamental trends and forces in Iran. These trends and forces, we believe, are going to be more important in determining future developments in Iran than the various facets of Amini's position.

2. We suggest that it is essential that present developments be set in a context of basic trends. Part of the material on pages 1 and 2 of the present paper is useful in this regard but it should be melded with the ideas expressed in Paras. 7, 17 and

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18 of NIE 34-61. The section of the paper dealing with "Prospects for the Amini Government" has some useful material in it. However, as it now reads it has undertones of a lawyer's brief for Amini. We feel it necessary to separate our consideration of the Shah's position, that of the Nationalists, and that of the military (including General Bakhtiar). Having done this, it becomes possible to make an objective and balanced estimate of probable developments in Iran which can be centered on the expected tug of war between Amini and the Shah. At this point, the affect of US support for Amini could be assessed. The section on "Iran and the USSR" doesn't seem to go anywhere. We suggest that Amini's coming to power has caused no significant change in the situation and recommend that the material in Paras. 36-38 of NIE 34-61 be used instead.

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ANNEX

Para. 7 of NIE 34-61:

At the same time, important forces inimical to the status quo have become stronger. The growing political unrest of the urban middle class was manifested more openly than in previous years. The first set of elections for the 20th Majlis held in August 1960 were cancelled by the Shah in response to widespread dissatisfaction over the blatant rigging. Despite strong professions of his good intentions in regard to permitting a relatively free second round of elections, the January-February 1961 elections have been as thoroughly controlled by him as those in August. This has resulted in popular demonstrations in some provincial centers and in Tehran and the arrest of a considerable number of students and some nationalist leaders.

Para. 17 of NIE 34-61:

We do not believe, however, that the question of stability in Iran should be dismissed with such a narrow estimate. Iran is still largely traditionalist in its social and political structure, with authority concentrated almost exclusively in the hands of the Shah, who relies for support on the army, the security forces, the large landowners, tribal chieftains, the

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old line leaders of commerce and finance, and the senior bureaucracy. The "establishment" and many of its policies are unpopular with most intellectuals and with much of the growing middle class. It is out-of-step with the dynamic political ideas and movements which are afoot in other parts of Asia and Africa. The nationalist forces remain unwilling to cooperate to any significant degree with the present "establishment" but as yet lack the power to supplant it and probably even the ability to run the country in its stead.

Para. 18 of NIE 34-61:

Under these circumstances, profound political and social change in one form or another is virtually inevitable; this, we believe, is the most important estimate to stress in regard to Iran. It is possible that the change will be evolutionary with the Shah making concessions to the urban groups and bringing some of thomore moderate nationalists into the governmental and administrative apparatus. The nature of Iranian politics and the personal characteristics of the Shah, however, appear to make gradual evolution unlikely.

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Paras. 36-38 of NIE 34-61:

36. A stalemate in Soviet-Iranian relations has persisted during the two years since the Shah broke off negotiations for a nonaggression pact with the USSR. This stalemate grows out of the essentially contradictory objectives and attitudes of the two parties. The Shah's concept of improved relations is limited to the cessation of hostile Soviet propaganda, modest expansion of trade, and the settlement of a few minor commercial and border matters. The Soviet objective, on the other hand, is to force Iran out of its alliance with the West. We believe the odds are against a break in this stalemate for some time to come. There may be ups and downs in the degree of active tension between the Soviets and Iran, but basic incompatibilities will probably prevent any real rapprochement in the short run.

37. It is possible that over the longer run, the Shah and the USSR may achieve some kind of modus vivendi. The Shah is deeply worried about the pressure which is being brought against him by the Soviet Union, and no amount of rational argument or moral support from the West is likely to be completely successful in reassuring him. A general reduction in tension with the USSR would probably be popular with most of the nationalist elements

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in Iran and would receive support from many conservatives who remain devoted to the traditional Iranian policy of neutrality. Thus, we believe that the Shah will continue to seek to relieve Soviet pressure by such measures as his often-repeated offers to ban foreign missile bases from Iran and the sending of a good will mission to Moscow now scheduled for this spring.

38. Should the Shah become convinced that the US was withdrawing or significantly reducing its support for him, the chances of his working out an accommodation with the USSR would be much greater. Such an accommodation could lead to a broadening of Iranian relations with the Soviet Union to include substantial economic aid, and conceivably even military aid.

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